

File in Ziegler, Ute-32
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ACT/047/008



HIKO BELL MINING & OIL COMPANY

POST OFFICE BOX DRAWER AB * VERNAL, UTAH 84078 * TELEPHONE 789-3233 AREA CODE (801)

March 29, 1979

Michael Thompson
Engineering Geologist
Department of Natural Resources
Division of Oil, Gas & Mining
State of Utah
1588 West North Temple
Salt Lake City, Utah, 84116

Re: Ute 32 Gilsonite Mine
Sec. 32, T11S-R25E, Uintah Co., Utah
Acct. No. 047/008: Ziegler Chemical & Mineral Corp.

Dear Mr. Thompson:

In reply to your letter of March 20, 1979 with reference to the above mining operation and your letter of March 20th to Mr. Frank Godina and following our telephone conversation of the 28th, the following remedial action will be taken to remedy the infractions cited:

1. Topsoil: The topsoil was stockpiled in accordance with the mine plan. I will be happy to show you this stockpile on your next inspection trip. Proper revegetation will be made when the weather permits.
2. Roads: In my discussions with Brad Grossbeck, Bureau of Land Management, Salt Lake City, Utah, it was decided that no major roadbuilding would be undertaken until a determination can be made as to the economic viability of establishing a permanent mining operation in the area. This determination should be done this Spring or early summer. By phone you have concurred in this.
3. Mine Site: All junk and trash have now been removed and the mine site has been cleaned up. This problem will not be permitted to recur.

HIKO BELL MINING & OIL COMPANY

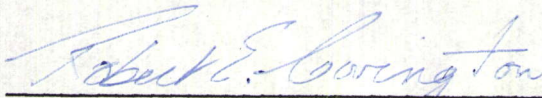
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4. Gilsonite Stockpile Location: My letter to your office dated January 20, 1978 requested permission to utilize the area where ore is presently stockpiled as the "stockpile area".

5. Drainage facilities: As soon as the weather permits and the ground has dried up sufficiently to prevent tearing up any unnecessary ground the drainages will be reestablished according to specifications. The work done previously was evidently not completed within the required limits.

We hope that the weather will improve shortly so that the above proposed remedial work can be finished prior to the May 15th, 1979 deadline. If any problems are encountered I will let you know immediately.

Very truly yours,



Robert E. Covington, C.P.G. #1795
Consultant for Ziegler Chemical & Mineral Corp.

cc: Gordon Ziegler, Jr., New York, N.Y.
Frank Godina, Little Bonanza